

*Budgets
for
Beginners*

WELCOME

Taking Control of Your Money



Order of Events

- Introduction: Terry Morgan
- Federal Executive Association Purpose
- Welcome
- Presentation – Budgets
- Presentation – Eliminating Debt
- Questions-

Omaha – Lincoln Federal Executive Association (FEA)

Network

- Network among federal agencies and employees.

Professional Development

- Provide avenues for employee professional development.

Public Image

- Network with the local community and provide a liaison between industry and business and the federal government.

Humanitarian Support

- Sponsor approved federal government participation in humanitarian campaigns, dedications, and other public ceremonies.

Community Affairs

- Participate as an association in community affairs and encourage other employees to do the same.

Budgets

There are many types of budget and budgeting forms and/or programs – the key is to use them consistently.

It will take 3 – 4 months before you will have everything identified in your budget.

Singles – it is suggested that you get an accountability partner.

Couples – this is a team effort and both parties should be involved to be successful.

Budgets Example – Basic One Page

This budget is a one page budget for those who have never use a budget before, if will identify the money you need for necessities. Items are listed in very general groups.

Charity,

Savings – Emergency Fund, Christmas Club, Vacation Fund, College

Housing - Mortgage / Rent, 2nd Mortgage / Home improvement, Taxes, Insurance, Repairs

Utilities – Electric, Gas, Water, Trash, Phone, Internet, Cable

Food, to include toiletries and cleaning supplies

Clothing – Adult, Children, Sports, Uniforms

Transportation – Car payments, Gas, Oil Changes/Repairs, Insurance

Personal – Entertainment, Childcare, Life insurance, Health insurance, Slush Fund

All your money should be accounted for - the total budgeted should equal your income.

Budgets Example – Basic One Page

MONTHLY BUDGET

	<i>Expected Amount</i>	<i>Actual Amount</i>	<i>Difference</i>
Income #1			
Income #2			
Additional Earnings			
SAVINGS	EXPECTED AMOUNT	ACTUAL AMOUNT	DIFFERENCE
Emergency Fund			
Retirement			
Education			
HOME EXPENSES	EXPECTED AMOUNT	ACTUAL AMOUNT	DIFFERENCE
Mortgage/Rent			
Insurance			
Maintenance			
Taxes			
AUTO / TRAVEL EXPENSES	EXPECTED AMOUNT	ACTUAL AMOUNT	DIFFERENCE
Car Payment(s)			
Insurance			
Maintenance			
Fuel			
Mass Transit Passes			
Toll Expenses			
HOUSEHOLD EXPENSES	EXPECTED AMOUNT	ACTUAL AMOUNT	DIFFERENCE
Electricity			
Gas			
Water			
Trash/Recycling			
Cable/Internet Services			
Phone Services			
Credit Cards/Debt			
Loans			
Childcare			
Groceries			
Eating Out			
Entertainment			
Clothing			
Giving			

Budgets Example – Detailed

This budget is a multiple page budget. This budget is more detailed and provides additional sub-categories and blank space for customization.

Charity,

Savings – Emergency Fund, Christmas Club, Vacation Fund, College

Housing - Mortgage / Rent, 2nd Mortgage / Home improvement, Taxes, Insurance, Repairs

Utilities – Electric, Gas, Water, Trash, Phone, Internet, Cable

Food, to include toiletries and cleaning goods

Clothing – Adult, Children, Sports, Uniforms

Transportation – Car payments, Gas, Oil Changes/Repairs, Insurance

Personal – Entertainment, Childcare, Life insurance, Health insurance, Slush Fund

Debts – Loans, Credit Cards, etc.

Sinking Payments – budgeted amount saved to be used to replace items (tires, household appliance, major home and auto repairs)

All your money should be accounted for - the total budgeted should equal your income.

Budgets Example – Detailed– Page 1

SHEET 5

MONTHLY CASH FLOW PLAN

<i>Budgeted Item</i>	<i>Sub Total</i>	<i>TOTAL</i>	<i>Actually Spent</i>	<i>% of Take Home Pay</i>
CHARITABLE GIFTS				
SAVING				
Emergency Fund(1)				
Retirement Fund				
College Fund				
HOUSING				
First Mortgage				
Second Mortgage				
Real Estate Taxes				
Homeowners Ins.				
Repairs or Mn. Fee				
Replace Furniture				
Other				
UTILITIES				
Electricity				
Water				
Gas				
Phone				
Trash				
Cable				
*FOOD				
*Grocery				
*Restaurants				
TRANSPORTATION				
Car Payment				
Car Payment				
*Gas and Oil				
*Repairs and Tires				
Car Insurance				
License and Taxes				
Car Replacement				
PAGE 1 TOTAL				

SHEET 5 CONTINUED

Budgets Example – Detailed– Page 2

<i><u>Budgeted Item</u></i>	<i><u>Sub Total</u></i>	<i><u>TOTAL</u></i>	<i><u>Actually Spent</u></i>	<i><u>% of Take Home Pay</u></i>
<i>*CLOTHING</i>				
<i>*Children</i>	_____		_____	
<i>*Adults</i>	_____		_____	
<i>*Cleaning/Laundry</i>	_____	_____	_____	_____
<i>MEDICAL/HEALTH</i>				
<i>Disability Insurance</i>	_____		_____	
<i>Health Insurance</i>	_____		_____	
<i>Doctor Bills</i>	_____		_____	
<i>Dentist</i>	_____		_____	
<i>Optometrist</i>	_____		_____	
<i>Drugs</i>	_____	_____	_____	_____
<i>PERSONAL</i>				
<i>Life Insurance</i>	_____		_____	
<i>Child Care</i>	_____		_____	
<i>*Baby Sitter</i>	_____		_____	
<i>*Toiletries</i>	_____		_____	
<i>*Cosmetics</i>	_____		_____	
<i>*Hair Care</i>	_____		_____	
<i>Education/Adult</i>	_____		_____	
<i>School Tuition</i>	_____		_____	
<i>School Supplies</i>	_____		_____	
<i>Child Support</i>	_____		_____	
<i>Alimony</i>	_____		_____	
<i>Subscriptions</i>	_____		_____	
<i>Organization Dues</i>	_____		_____	
<i>Gifts (inc. Christmas)</i>	_____		_____	
<i>Miscellaneous</i>	_____		_____	
<i>*BLOW \$\$</i>	_____	_____	_____	_____
<i>PAGE 2 TOTAL</i>	_____	_____		

SHEET 5 CONTINUED

<i>Budgeted</i>	<i>Sub</i>	<i>Actually</i>	<i>% of Take</i>
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Budgets Example – Detailed– Page 3

<u>Item</u>	<u>Total</u>	<u>TOTAL</u>	<u>Spent</u>	<u>Home Pay</u>
RECREATION				
*Entertainment	_____		_____	
Vacation	_____	_____	_____	_____
DEBTS (Hopefully -0-)				
Visa 1	_____		_____	
Visa 2	_____		_____	
MasterCard 1	_____		_____	
MasterCard 2	_____		_____	
American Express	_____		_____	
Discover Card	_____		_____	
Gas Card 1	_____		_____	
Gas Card 2	_____		_____	
Dept. Store Card 1	_____		_____	
Dept. Store Card 2	_____		_____	
Finance Co. 1	_____		_____	
Finance Co. 2	_____		_____	
Credit Line	_____		_____	
Student Loan 1	_____		_____	
Student Loan 2	_____		_____	
Other	_____		_____	_____
Other	_____		_____	_____
Other	_____		_____	_____
Other	_____		_____	_____
Other	_____		_____	_____
PAGE 3 TOTAL	_____	_____		
PAGE 2 TOTAL	_____	_____		
PAGE 1 TOTAL	_____	_____		
GRAND TOTAL	_____	_____		
-TOTAL INCOME		_____		
ZERO		ZERO		

Budgets Example – Bi-monthly / Weekly – Multiple Pay Periods

This budget is a multiple page budget. This budget is more detailed, broken out into 2 or 4 week increments and provides additional sub-categories and blank space for customization. This allows for when you receive income at different times throughout the month.

Charity,

Savings – Emergency Fund, Christmas Club, Vacation Fund, College

Housing - Mortgage / Rent, 2nd Mortgage / Home improvement, Taxes, Insurance, Repairs

Utilities – Electric, Gas, Water, Trash, Phone, Internet, Cable

Food,

Clothing – Adult, Children, Sports, Uniforms

Transportation – Car payments, Gas, Oil Changes/Repairs, Insurance

Personal – Entertainment, Childcare, Life insurance, Health insurance, Slush Fund

Debts – Car Payments, Credit Cards, Student loans, other debt.

Sinking Funds

All your money should be accounted for - the total budgeted should equal your income.

Debt Elimination

FIRST – establish an emergency fund of \$1,000.00 – this is to be used for emergencies only.

Do not use for - school clothes, birthday or Christmas presents, vacations.

This should be allocated in your budget.

Goal is to have 3 – 6 months of expenses after your debt has been eliminated.

Debt Elimination

List all of your debt in order from smallest to the largest payoff balance.

Interest rates are not a concern at this point unless you have two debts that have a similar balance. If this is the case pay off the debt with the higher interest rate.

Cut up credit cards and close accounts once paid off.

Note: when you use credit you are paying a company to use your hard earned cash.

Credit cards charge you anywhere from 18% - 30% to use your money.

Debt Elimination

DEBT REDUCTION PLAN

DEBT	TOTAL PAYOFF	MIN PAYMENT	NEW PAYMENT
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DEBT REDUCTION PLAN

DEBT	TOTAL PAYOFF	MIN PAYMENT	NEW PAYMENT
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MEDICAL BILL	45.00	45.00	
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SPORTING GOODS	95.00	50.00	
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CREDIT CARD 1	2,000.00	50.00	
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CREDIT CARD 2	4,000.00	50.00	
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AUTO LOAN	15,000.00	400.00	
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Debt Elimination

Pay off the smallest debt by paying as much as you can. Once paid off take this amount plus the minimum payment amount of the next debt and pay it off.

Then take the amount from the first and second paid off debts and apply it with the minimum payment of the third until this debt is paid off.

Continue this until all of your debt has been paid off – this could take months or a few years depending on the amount of debt you have.

Debt Elimination

Debt Reduction Plan			
DEBT	TOTAL Payoff	MIN Payment	NEW Payment
Medical Bill	45.00	45.00	0.00
Sporting Goods	95.00	50.00	95.00
CREDIT CARD 1	2,000.00	50.00	
CREDIT CARD 2	4,000.00	50.00	
AUTO LOAN	15,000.00	400.00	

Debt Reduction Plan			
DEBT	TOTAL Payoff	MIN Payment	NEW Payment
Medical Bill	45.00	45.00	0.00
Sporting Goods	95.00	50.00	95.00
CREDIT CARD 1	2,000.00	50.00	\$145.00
CREDIT CARD 2	4,000.00	50.00	
AUTO LOAN	15,000.00	400.00	

General Rules of Thumb

1. Budget, budget and budget – they can be updated.
2. Take care of Home, Food and Transportation first.
3. What is the cost of the purchase – how many hours to you have to work to purchase the item?
4. Opportunity cost – what do you give up to purchase the item (a debt to be paid off, an investment, a vacation or entertainment).
5. Is it a need or want – you can have both if you have the money, just call it what it is.
6. Be patient – can the item wait until you have saved up for it instead of using credit.

QUESTIONS

1. Any Questions or Comments

*Thank you for
attending*

